# GOVERNMENT OF INDIA
# ELECTRONICS AND INFORMATION TECHNOLOGY
# LOK SABHA

UNSTARRED QUESTION NO:6409
ANSWERED ON:12.04.2017
Manufacturing of iphones in India
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**Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:**

Will the Minister of Electronics and Information Technology be pleased to state:

(a) whether Apple Inc. has submitted a proposal to the Government to manufacture iPhones in India and insisted on easier import rules and if so, the details thereof;

(b) whether Apple Inc. has also sought long term fiscal concessions as pre-conditions for expanding its operations in the country;

(c) if so, the details thereof; and

(d) the decision taken by the Government in this regard?

## Answer

(a), (b), (c) and (d): M/s. Apple India Private Limited (AIPL) has made a reference to the Department of Industrial Policy and Promotion (DIPP) seeking concessions including duty exemption on manufacturing and repair inputs, components, capital equipment (including parts) and consumables for smart phone manufacturing and service/ repair for a period of 15 years.

The aforesaid requests made by AIPL were examined in the Department of Revenue and have not been accepted on the following grounds:

i. Nil Basic Customs Duty (BCD), Excise Duty/ Countervailing Duty (CVD) and Special Additional Duty of Customs (SAD) has already been prescribed for parts, components and accessories (except Charger/Adapter, Battery, and Wired Headsets) and sub-parts for manufacture of such parts, meant for manufacture of mobile phones. However, in the Budget 2017-18, a concessional SAD of 2% has been imposed on populated Printed Circuit Boards for manufacture of mobile phones.
ii. Further, specified capital goods for manufacture of mobile phones have already been exempted from BCD with effect from 09.07.2004 vide S.No.58 of Notification No.25/2002-Customs dated 01.03.2002.
iii. There is no exemption from BCD, CVD and SAD on imports of parts for repair of mobile phones.
iv. Further, in GST regime, all imports will be liable to IGST and any exemptions from CGST/SGST/IGST can be granted based on the recommendations of the GST Council only. Thus, all existing exemption from Excise Duty/ CVD will also be reviewed by GST Council.
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